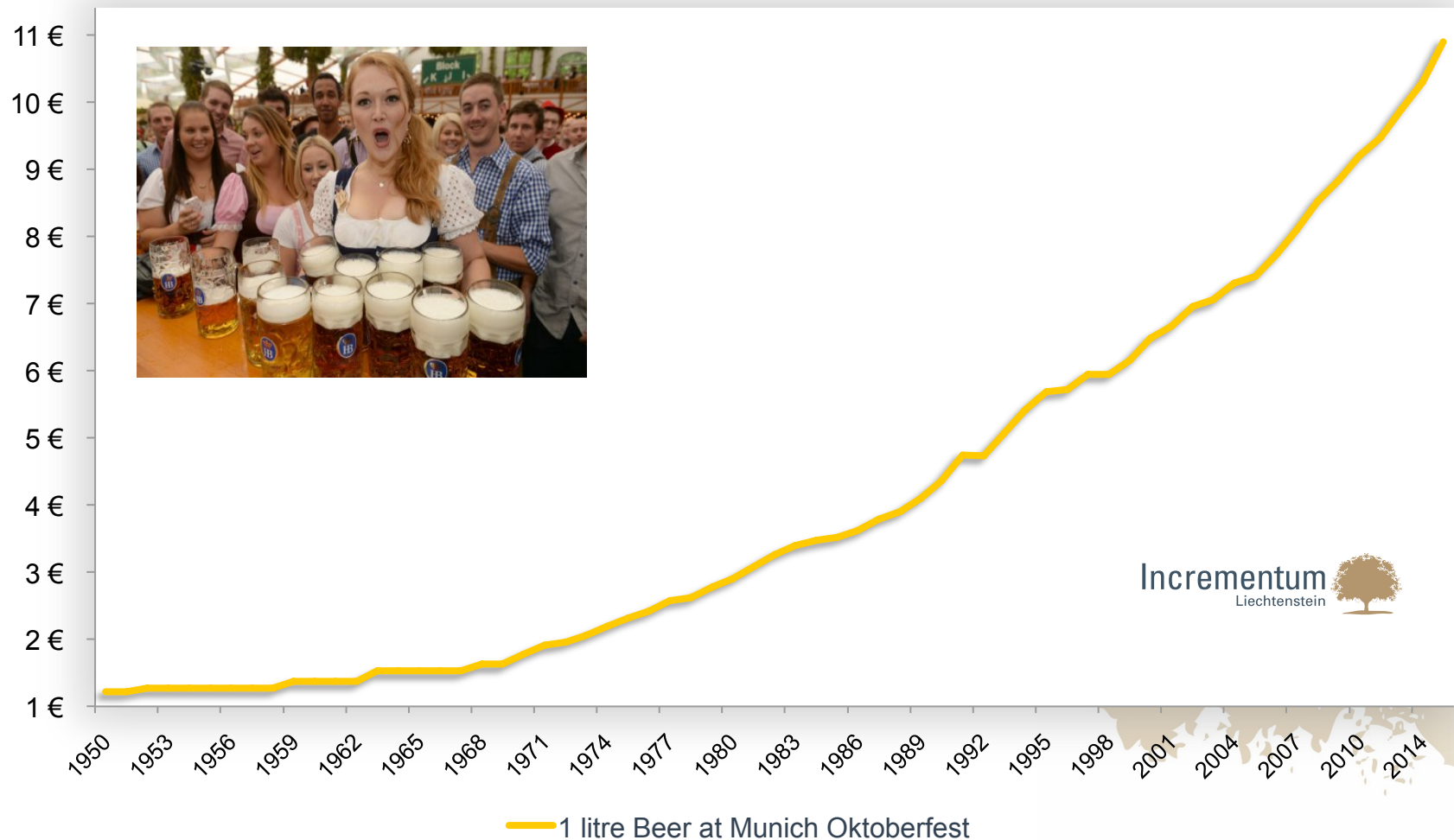

Inflationary and Deflationary Tides

... and the consequences for gold and
mining stocks

Ronald-Peter Stoeferle
Managing Partner & Fund Manager, Incrementum AG, Liechtenstein
Precious Metals Summit 2015, Zurich

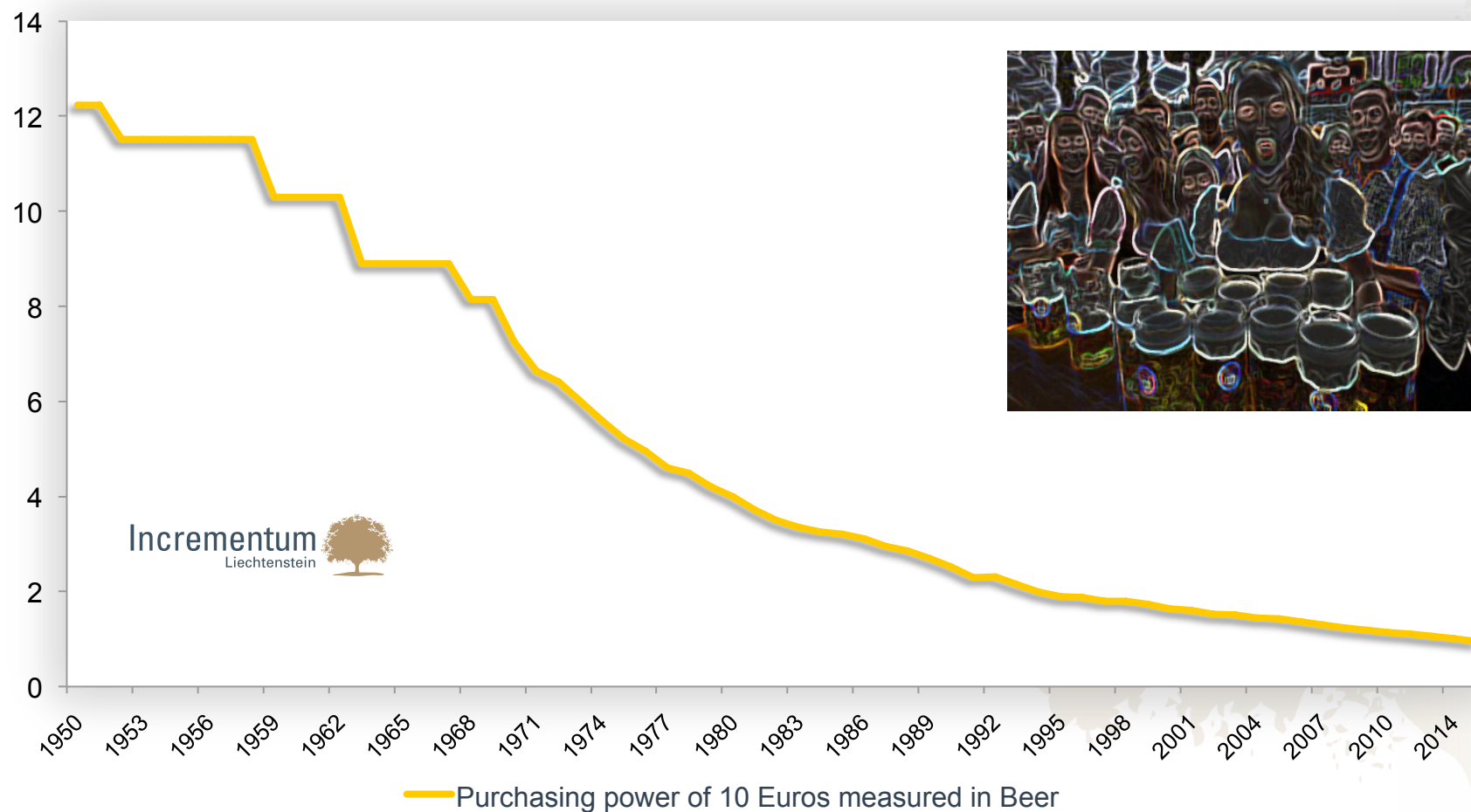
Gold & Beer: Price of 1 „Maß“ at Munich Oktoberfest



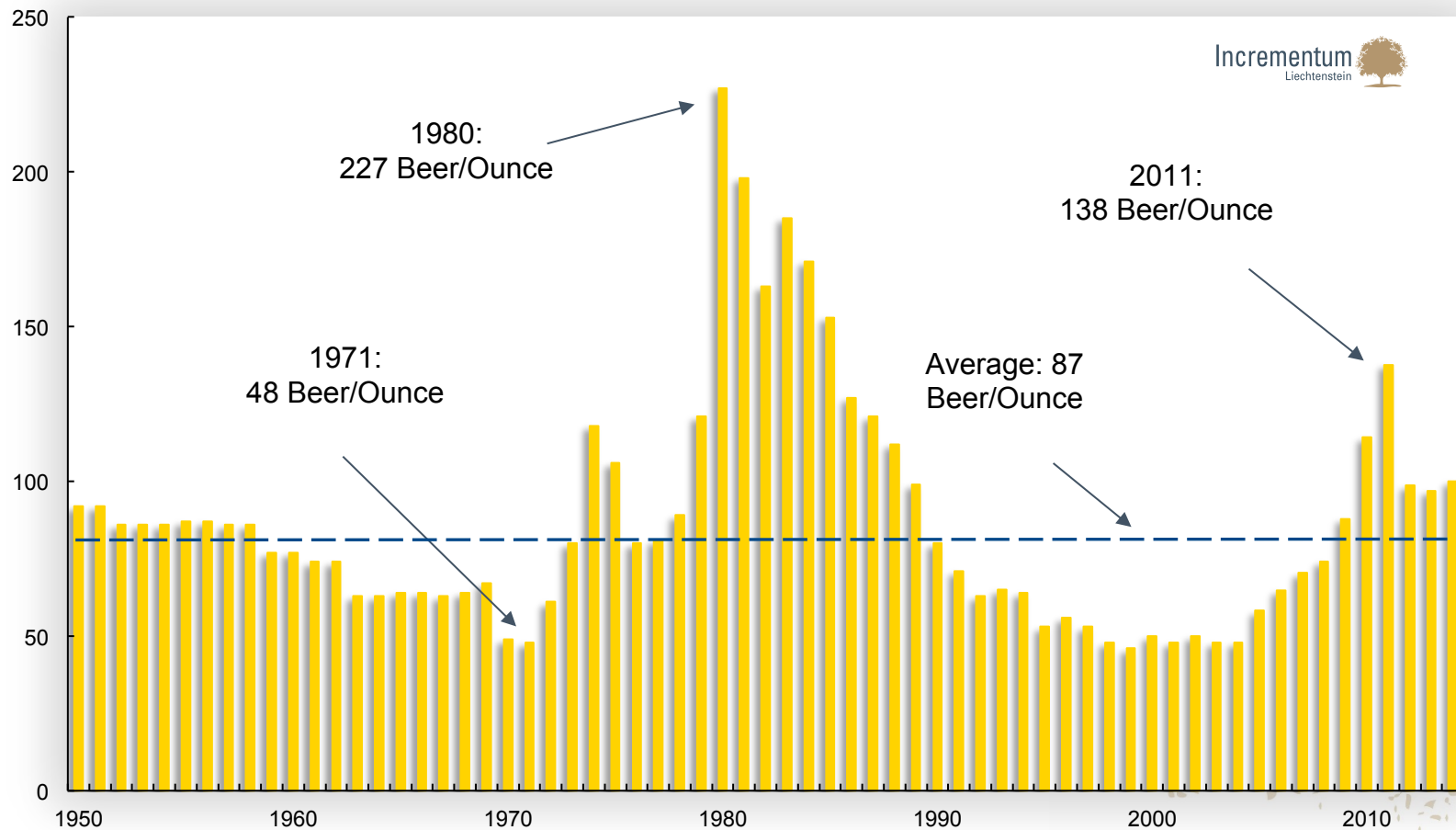
Incrementum
Liechtenstein



Gold & Beer: Purchasing Power of 10 Euros measured in „Maß“ Bier



Our Famous Gold-Wies'n-Beer Ratio Confirms Gold's Relative Stability Purchasing Power Of One Ounce Of Gold At The Munich Oktoberfest



Sources: www.HaaseEwert.de, Historisches Archiv Spaten-Löwenbräu, Incrementum AG

1. Gold in a Bear Market? It Depends...



Gold in Various Currencies

Gold Price Performance: % Annual Change

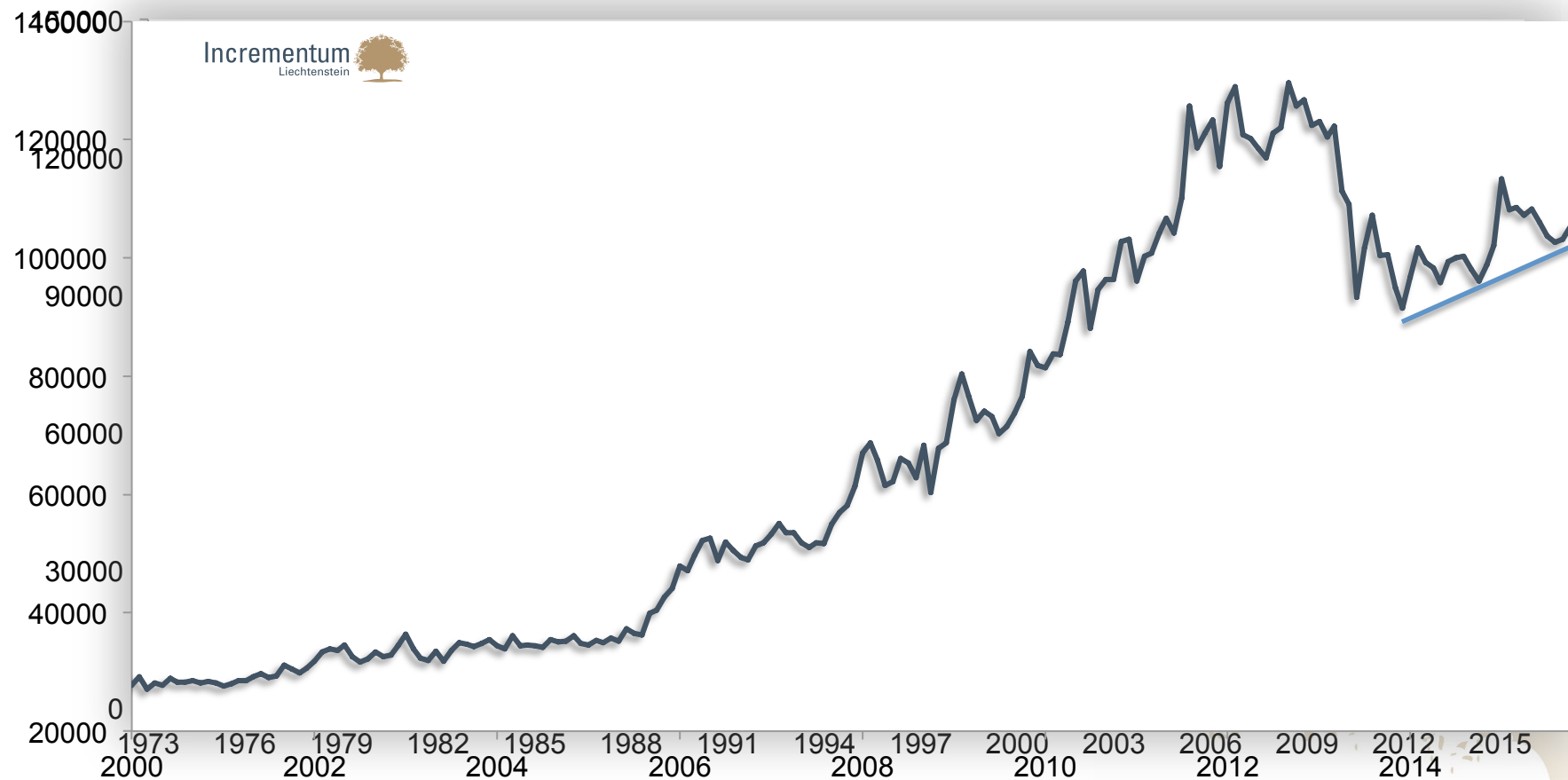
Sunday, November 01, 2015

| | USD | AUD | CAD | CHF | CNY | EUR | GBP | INR | JPY |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2000 | -3.0% | 14.8% | 1.9% | 3.0% | - | 7.5% | 6.6% | 4.7% | - |
| 2001 | 2.0% | 12.3% | 8.7% | 6.5% | - | 8.8% | 5.0% | 5.4% | - |
| 2002 | 24.7% | 13.3% | 22.8% | 5.7% | - | 6.4% | 13.1% | 23.9% | - |
| 2003 | 21.1% | -8.5% | 0.6% | 7.6% | - | 1.7% | 9.9% | 14.8% | - |
| 2004 | 5.4% | 1.4% | -2.1% | -3.5% | 13.6% | -3.1% | -2.4% | 0.5% | 3.7% |
| 2005 | 20.0% | 28.9% | 15.4% | 37.8% | 21.3% | 36.7% | 33.0% | 24.2% | 37.6% |
| 2006 | 23.0% | 12.6% | 23.0% | 14.2% | 18.7% | 10.6% | 8.3% | 20.8% | 24.4% |
| 2007 | 30.9% | 18.3% | 12.1% | 21.7% | 23.3% | 18.4% | 29.2% | 16.5% | 22.9% |
| 2008 | 5.6% | 31.3% | 30.1% | -0.1% | -2.4% | 10.5% | 43.2% | 28.8% | -14.4% |
| 2009 | 23.4% | -3.0% | 5.9% | 20.1% | 23.6% | 20.7% | 12.7% | 19.3% | 26.8% |
| 2010 | 27.1% | 13.3% | 21.3% | 15.4% | 22.8% | 37.1% | 31.4% | 22.3% | 11.4% |
| 2011 | 10.1% | 10.2% | 13.5% | 11.2% | 5.9% | 14.2% | 10.5% | 31.1% | 4.5% |
| 2012 | 7.0% | 5.4% | 4.3% | 4.2% | 6.2% | 4.9% | 2.2% | 10.3% | 20.7% |
| 2013 | -28.3% | -16.2% | -23.0% | -30.1% | -30.2% | -31.2% | -29.4% | -18.7% | -12.8% |
| 2014 | -1.5% | 7.7% | 7.9% | 9.9% | 1.2% | 12.1% | 5.0% | 0.8% | 12.3% |
| 2015 | -3.6% | 10.4% | 8.7% | -4.2% | -1.7% | 5.9% | -2.7% | 0.1% | -2.8% |
| Average | 10.2% | 9.5% | 9.4% | 7.5% | 8.5% | 10.1% | 11.0% | 12.8% | 11.2% |
| Total | 163.9% | 152.2% | 151.1% | 119.4% | 102.3% | 161.2% | 175.6% | 204.8% | 134.3% |

goldprice.org

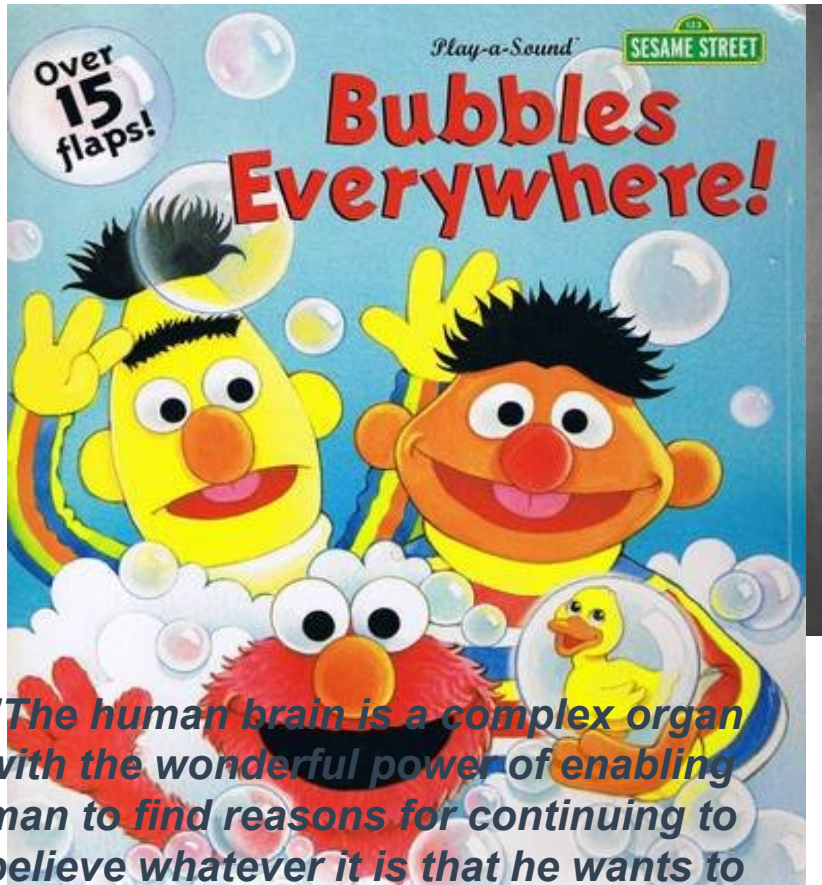
Source: Goldprice.org, Incrementum AG

World Gold Price since 1971 and 2000



Source: Federal Reserve St. Louis, Incrementum AG

Reasons For The Correction?



"The human brain is a complex organ with the wonderful power of enabling man to find reasons for continuing to believe whatever it is that he wants to believe."

Voltaire

- ✓ **Strong disinflationary trends** and the associated increase in real interest rates
- ✓ **Partly declining money supply** growth rates
- ✓ **Rising opportunity costs** as a result of the rally in stock markets
- ✓ **Analyst estimates were revised lower**
- ✓ Flattening of the US yield curve due to rising **expectations of a Fed rate hike**
- ✓ **Strong faith in the ability of central banks** to keep things under control

As Expected: No Rate Hike in September... And Probably 2015



Ronnie Stoeferle, CMT
@RonStoeferle

The trade-weighted US dollar index is still rising and is at the highest level since 2003. Rate hike is elusive

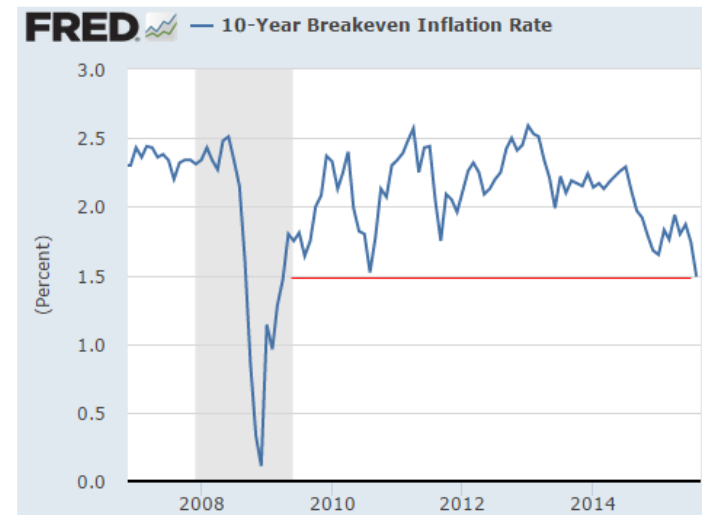
Übersetzung anzeigen



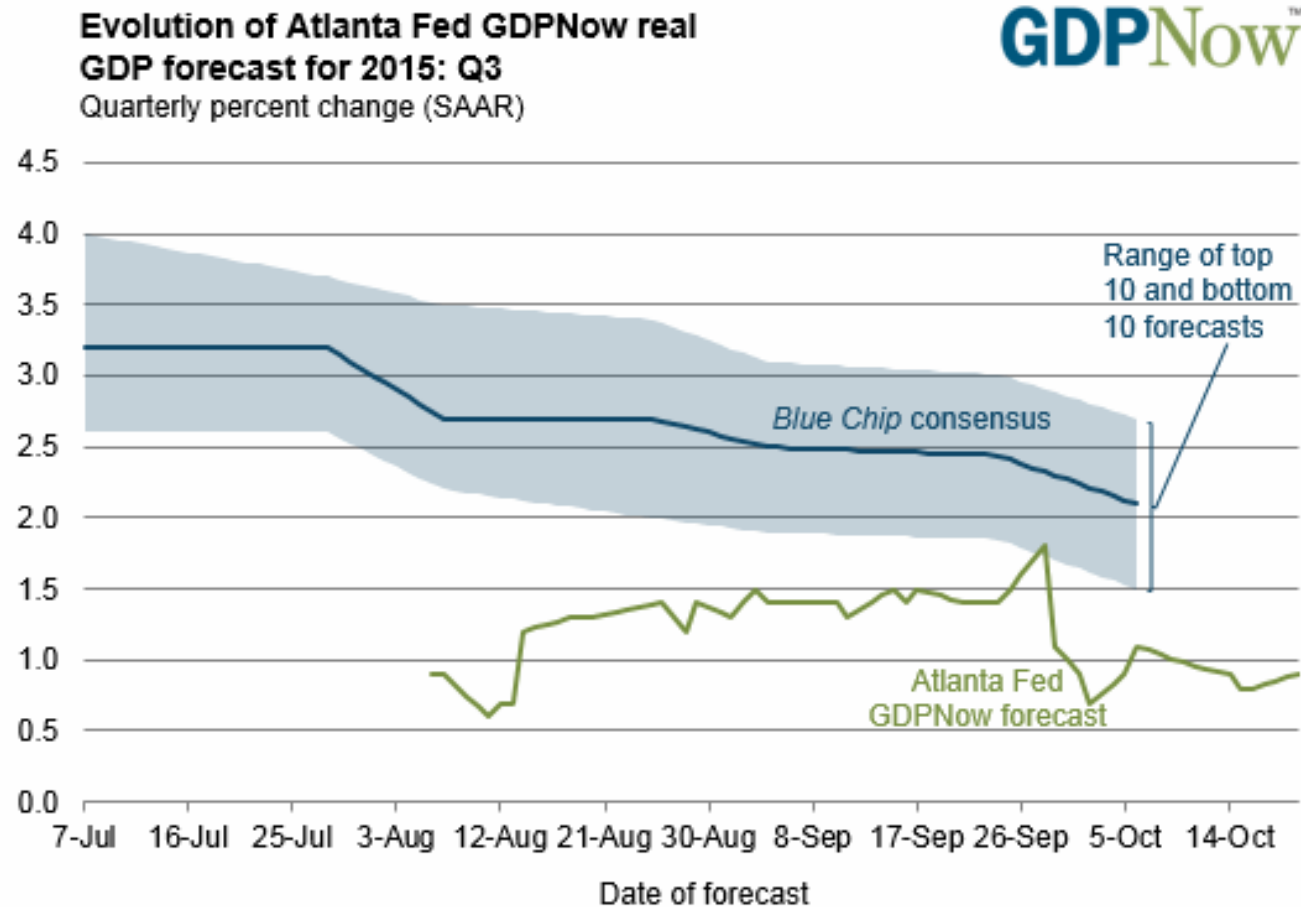
Ronnie Stoeferle, CMT
@RonStoeferle

The breakeven inflation expectations remains under pressure. Fed will definitely not hike in September

Übersetzung anzeigen



..as GDP continues to disappoint ...



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Waiting for (Monetary) Godot



MT @RonStoeferle · 29. Okt.

responding to the FOMC statement...strong
inflation = no rate hike



gen

7.41, C197.58

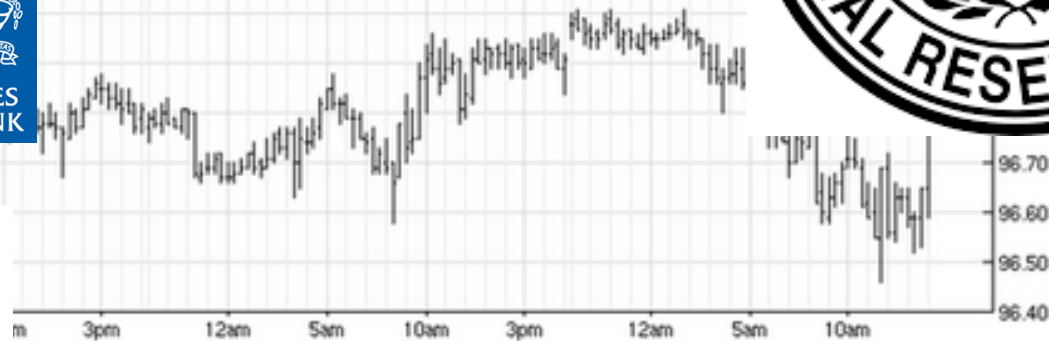
U.S. Dollar Index (\$DXY)



BANK OF JAPAN



BANK OF CANADA



2. Inflation vs. Deflation & the Austrian School of Economics

Austrian Economics? Who Knows Hayek?



“The most important thing to remember is that inflation is not an act of God, that inflation is not a catastrophe of the elements or a disease that comes like the plague.



Inflation is a policy.”

Ludwig von Mises,
Economic Policy

*“People have become accustomed to thinking that inflation means an increase in prices, but that is wrong. **Inflation is an increase in the money supply**”*



Wikipedia

The Tug Of War



Team Blue: Deflationary Forces

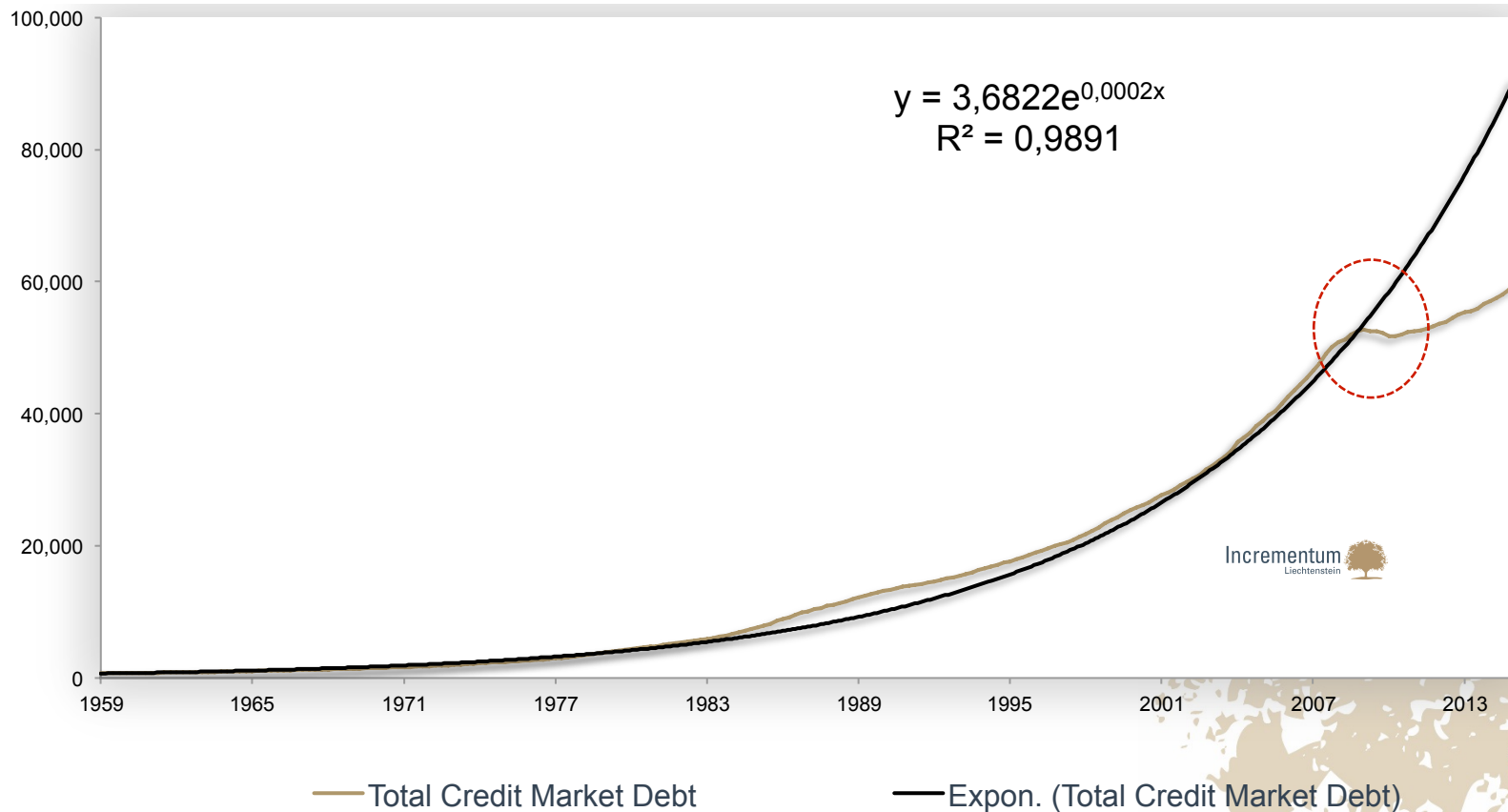
- ▶ Balance Sheet Deleveraging: Undercapitalized banks – still recovering from the crisis – are reluctant to lend
- ▶ Regulation: Basel III
- ▶ High Demand to hold Money (low inflation exp.)
- ▶ Productivity gains
- ▶ Demographics



Team Red: Inflationary Forces

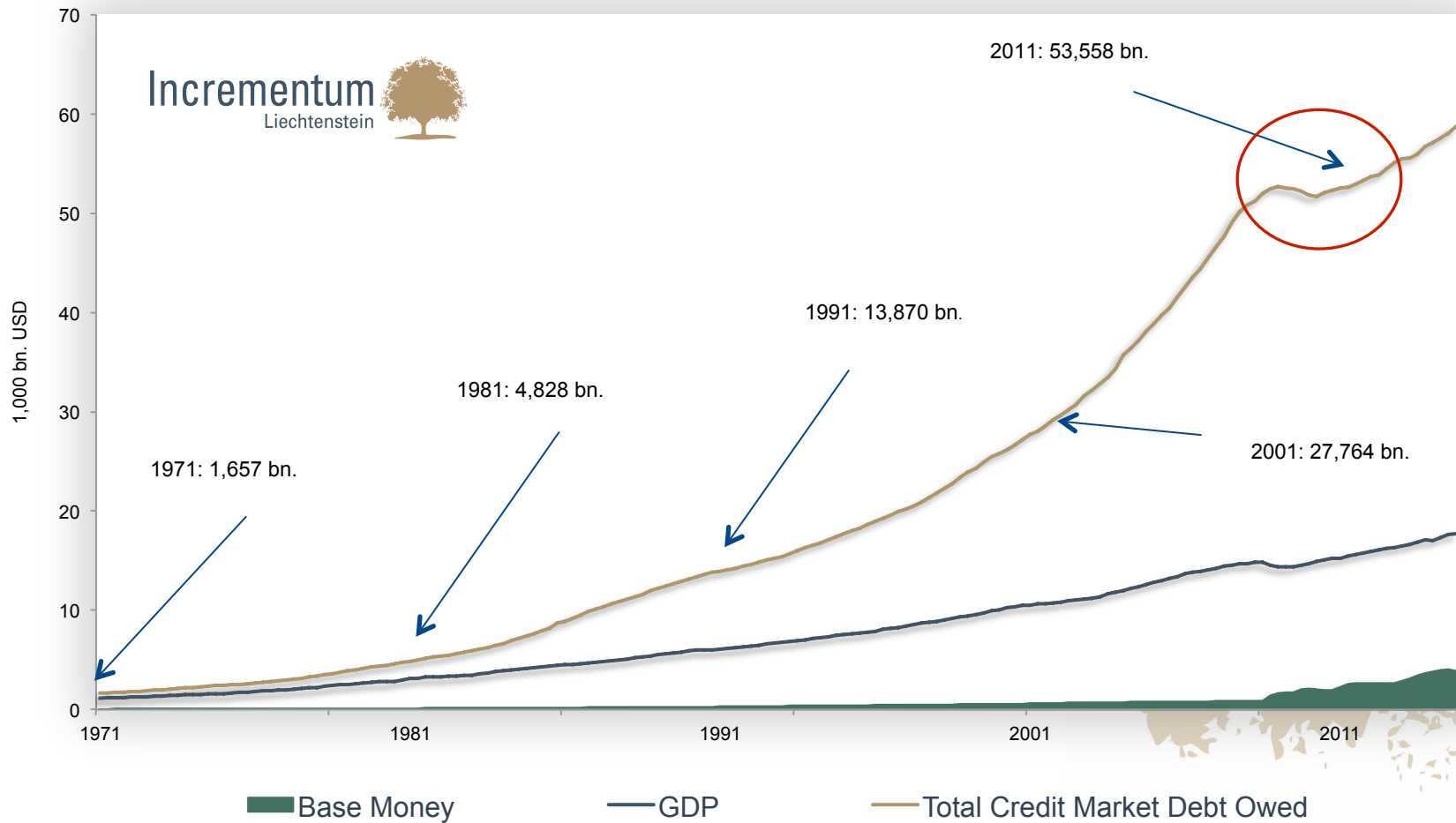
- ▶ Zero interest rate policy
- ▶ Communications Policy (forward guidance)
- ▶ Quantitative Easing
- ▶ Currency Wars

We Are Seeing A Major Deviation From The Exponential Path Of Debt Growth Since 2008



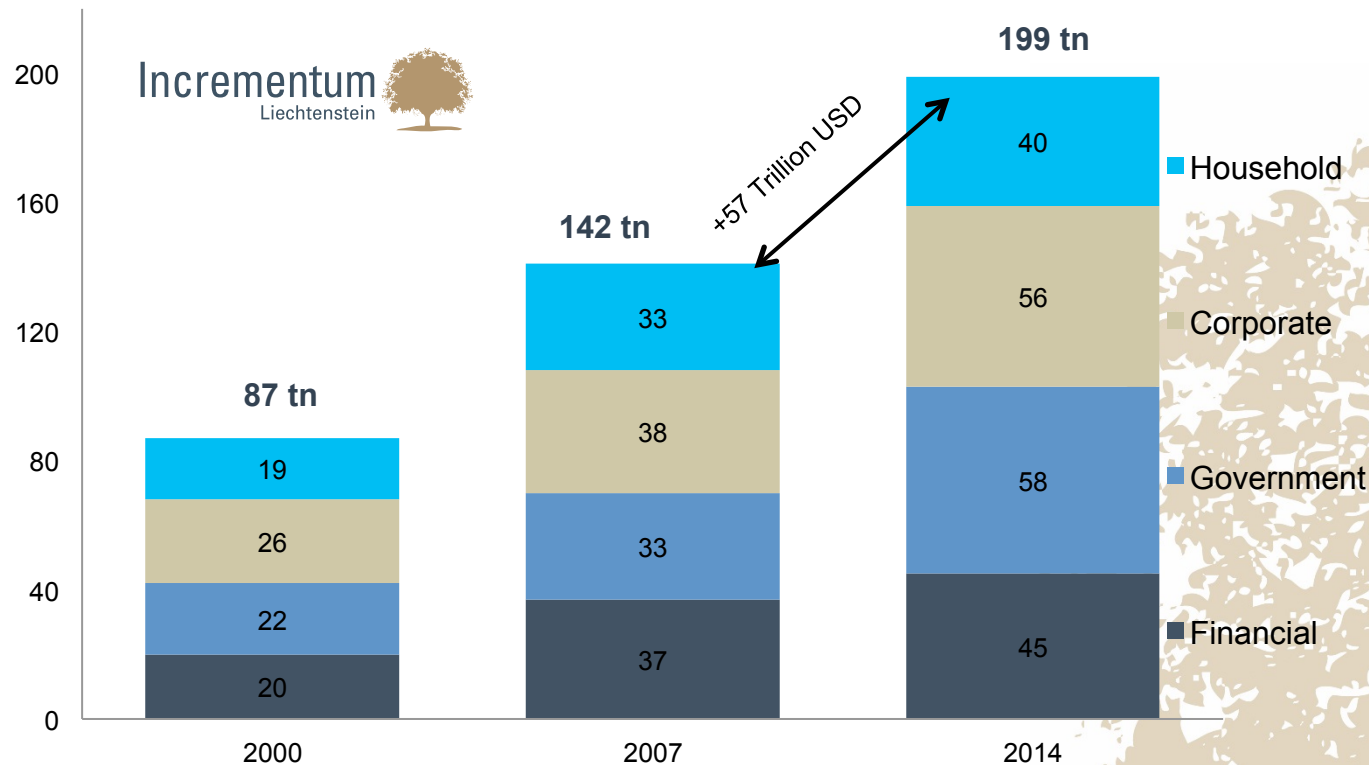
“Anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist.” Kenneth Boulding

Debt Induced Growth: Total Debt Has To Grow Exponentially To Create Sufficient GDP Growth



Sources: Federal Reserve St. Louis, Incrementum AG

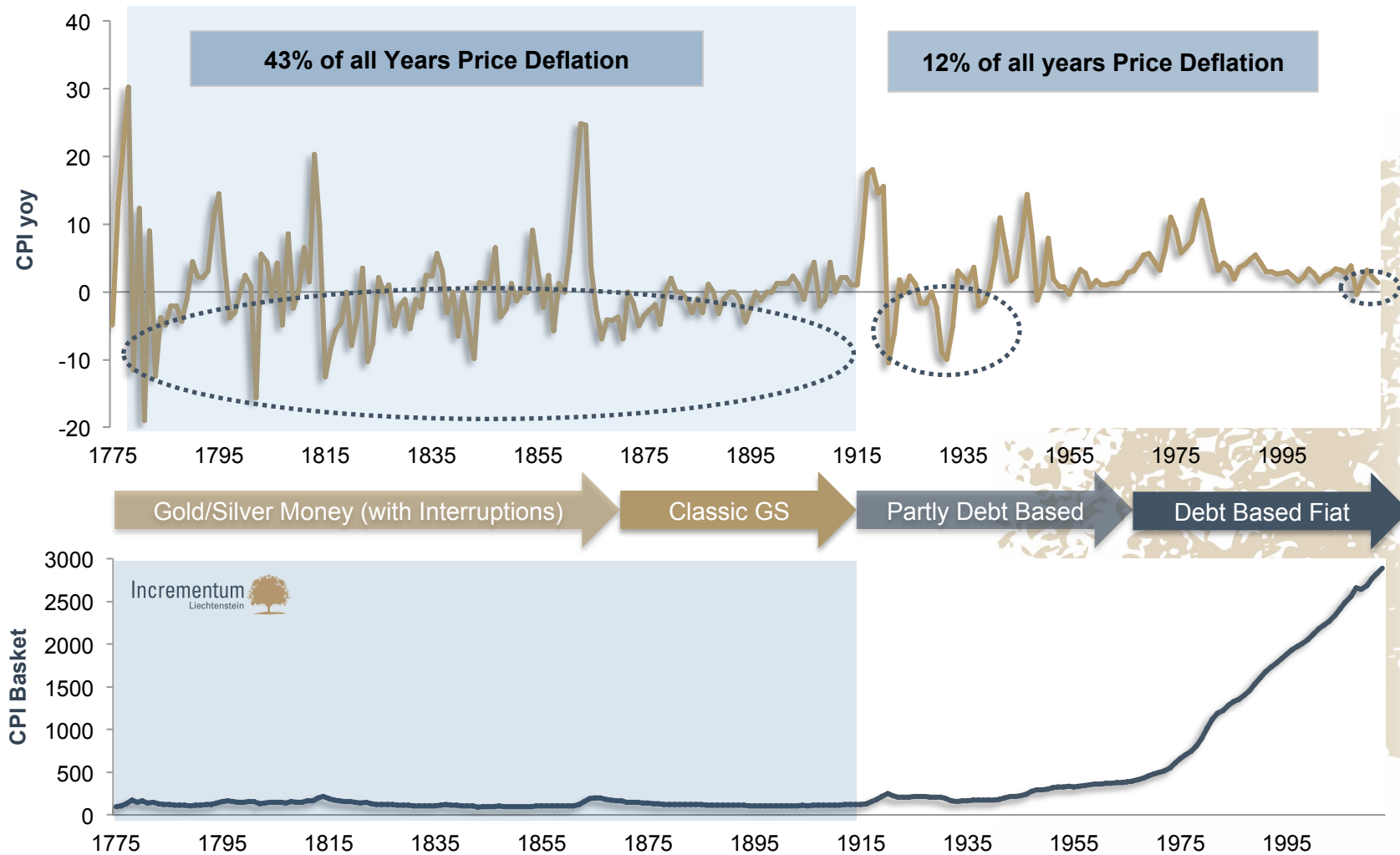
Deleveraging? What Deleveraging? The Higher The Debt, The Higher The Urge For Inflation!



Global debt levels have increased by USD 57 trillion since 2007 – this amount is around three times annual US economic output! New government borrowing has recorded the highest growth momentum! Difficult for us to spot the infamous deleveraging!

Source: McKinsey Global Institute, Haver Analytics, World Economic Outlook, IMF, Incrementum AG

The Inflation Doctrine: Debt Based Money Brought Us The “Inflation Imperative”...



Source: Measuringworth.com, Incrementum AG

3. Gold and Price Inflation



Gold and Price Inflation: A Major Misconception?

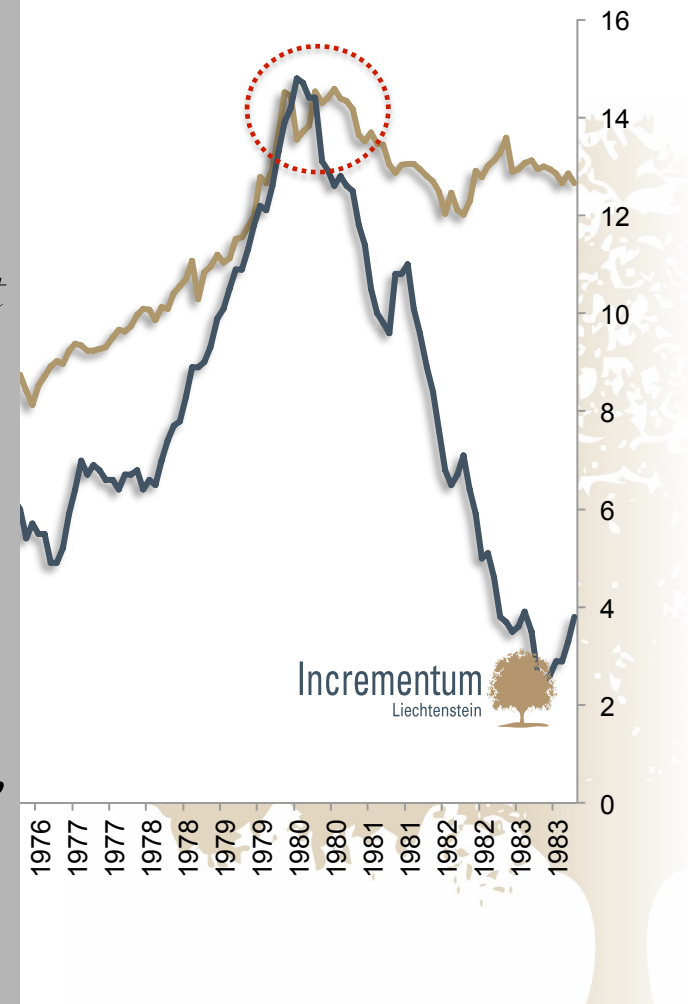
Gold is a good inflation hedge?

- ▶ **No, Gold is discounting future price inflation and tends to perform best in times of RISING price inflation.**
- ▶ **Conversely the price of Gold has its most difficult time during times of FALLING price inflation (i.e. disinflation)**
- ▶ **The implication for a tactical (short term) investor:
If you want to trade Gold (or Silver) make sure you have a coherent view on the current momentum of price inflation**

Gold Does Not Perform well in Disinflation Gold vs. CP 1962-1983

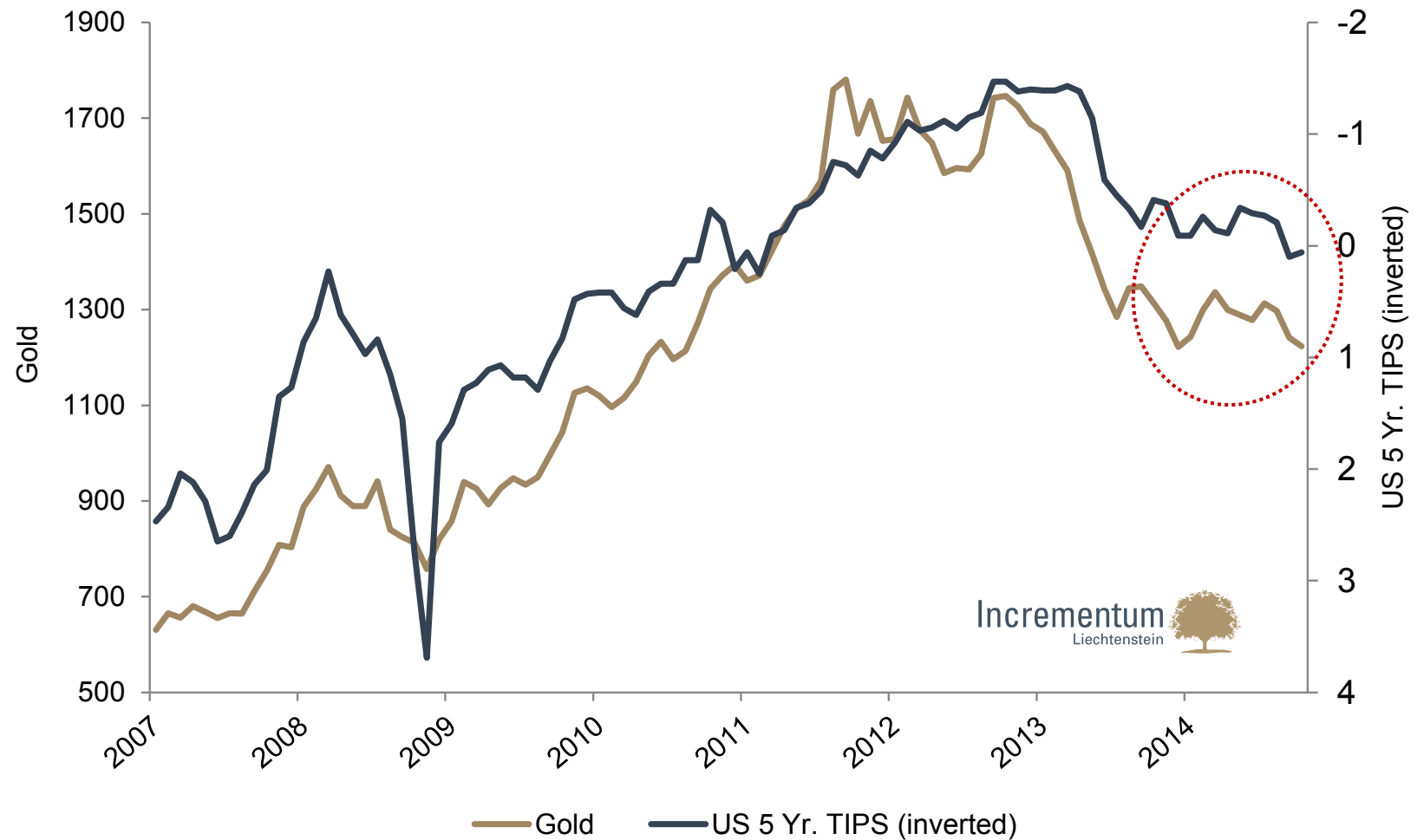
“Two years ago gold bugs ran wild as the price of gold rose nearly six times. But since cresting two years ago it has steadily declined, almost by half, putting the gold bugs in flight. The most recent advisory from a leading Wall Street firm suggests that the price will continue to drift downward, and may ultimately settle 40% below current levels... The sharply reduced rates of inflation combined with resurgence of other, more economically productive investments, such as stocks, real estate, and bank savings have combined to eliminate gold’s allure.... Although the American economy has reduced its rate of recovery, it is on a firm expansionary course.”

New York Times, August 1976



Source: Bloomberg, Incrementum AG

Financial Markets are Pricing Out Inflation



Source: Bloomberg, Incrementum AG

Inflation Fears?

Not Even The Germans Are Afraid of Inflation Anymore!

Bloomberg

Germans Bury Inflation Angst as Merkel Offers New Agenda

By Birgit Jennen - Dec 29, 2013

When Walter Baltes was five years old, he thought money came in bundles of banknotes. His grandmother carried them in her arms to the bakery to pay for bread. It was 1923, in the German town of Witten.

"I am very careful with money, which probably has something to do with the inflation experience," Baltes, 95, said in a phone interview. Yet those days aren't coming back, he says. "We will never experience this kind of inflation again. I absolutely don't see any risk of inflation."

Ninety years after a generation's savings were wiped out, the German preoccupation with inflation is giving way. A Hamburg University study published by the Bundesbank shows that any anxiety that inflation will erode savings is concentrated among senior citizens, the

Source: <http://www.bloomberg.com/news/2013-12-29/germany-abandons-inflation-angst-with-merkel-offering-new-agenda.html>

Deflation = Consensus View

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PIMCO
Your Global Investment Authority

Bond Investors Are Writing Off Inflation for Years, If Not Decades, to Come

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By Susanne Walker | Dec 15, 2014 9:00 PM GMT+0100 [21 Comments](#) [Email](#) [Print](#)

An obscure corner of the \$12.4 trillion market for **U.S. government debt** is providing one of the clearest signs yet that bond investors are writing off the threat of inflation for years, if not decades, to come.

Demand for Strips, created when Wall Street banks separate the interest payments from the principal of **U.S. debt** and sell each at a discount, has boosted the amount outstanding to an average \$211 billion this year, the most since 1999, data from the Treasury Department show. The securities, the most vulnerable to inflation of all U.S. government bonds, posted the biggest returns this year by rallying almost 50 percent.

While forecasters say the world's largest economy will grow at the fastest pace in a decade next year and expose the securities to the deepest potential declines, debt investors are signaling their skepticism as commodities plunge and slowdowns in **Europe** and **Asia** threaten



Photographer: Jin Lee/Bloomberg

Related

[AUDIO: Taking Stock: Wall Street Can't Stop Stripping](#)



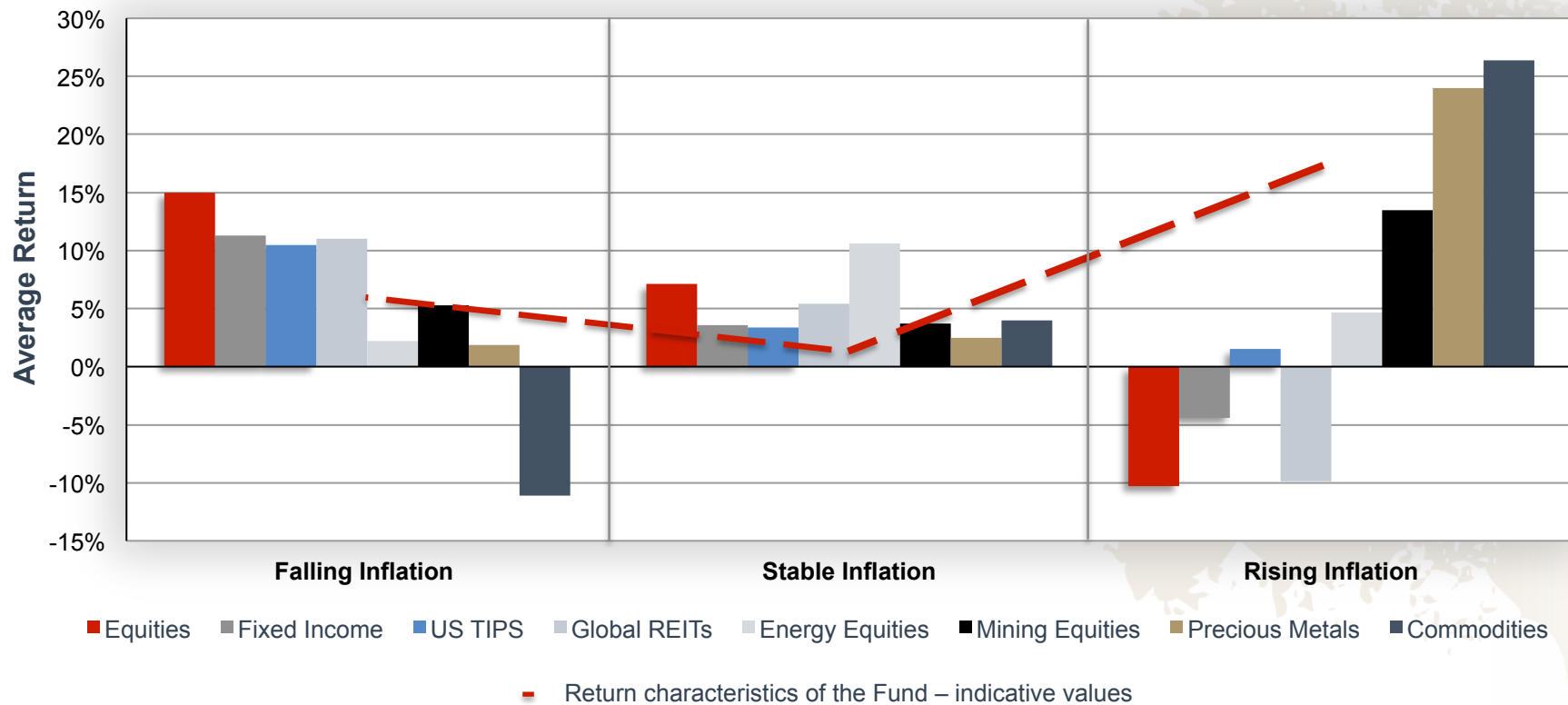
Source: Bloomberg.com

4. Mining Stocks & Inflation



During Rising Inflation: Only commodities and commodity stocks rally

Performance of Asset Classes during different Inflation Regimes



Sources: Wellington Asset Management, Incrementum AG



Group-Think or Contrarian Ideas?

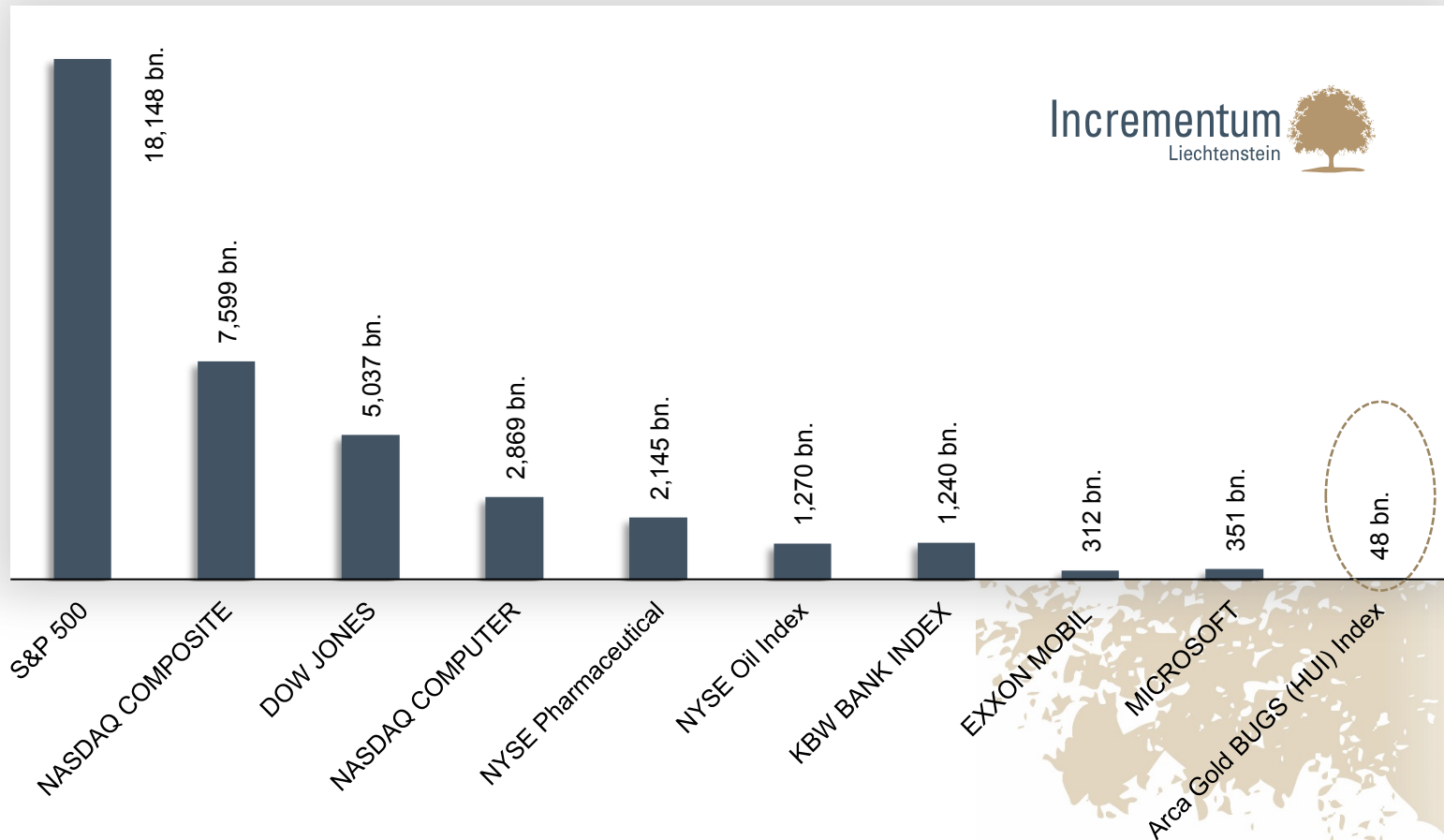




***“Bull markets are born on pessimism,
grow on scepticism, mature
and die on euphoria. The time
of pessimism is the best time
to sell.”***



Are Gold Equities The Most Contrarian Investment? Comparison Of Market Capitalization (USD bn.)



Sources: Bloomberg, Federal Reserve St. Louis, Incrementum AG

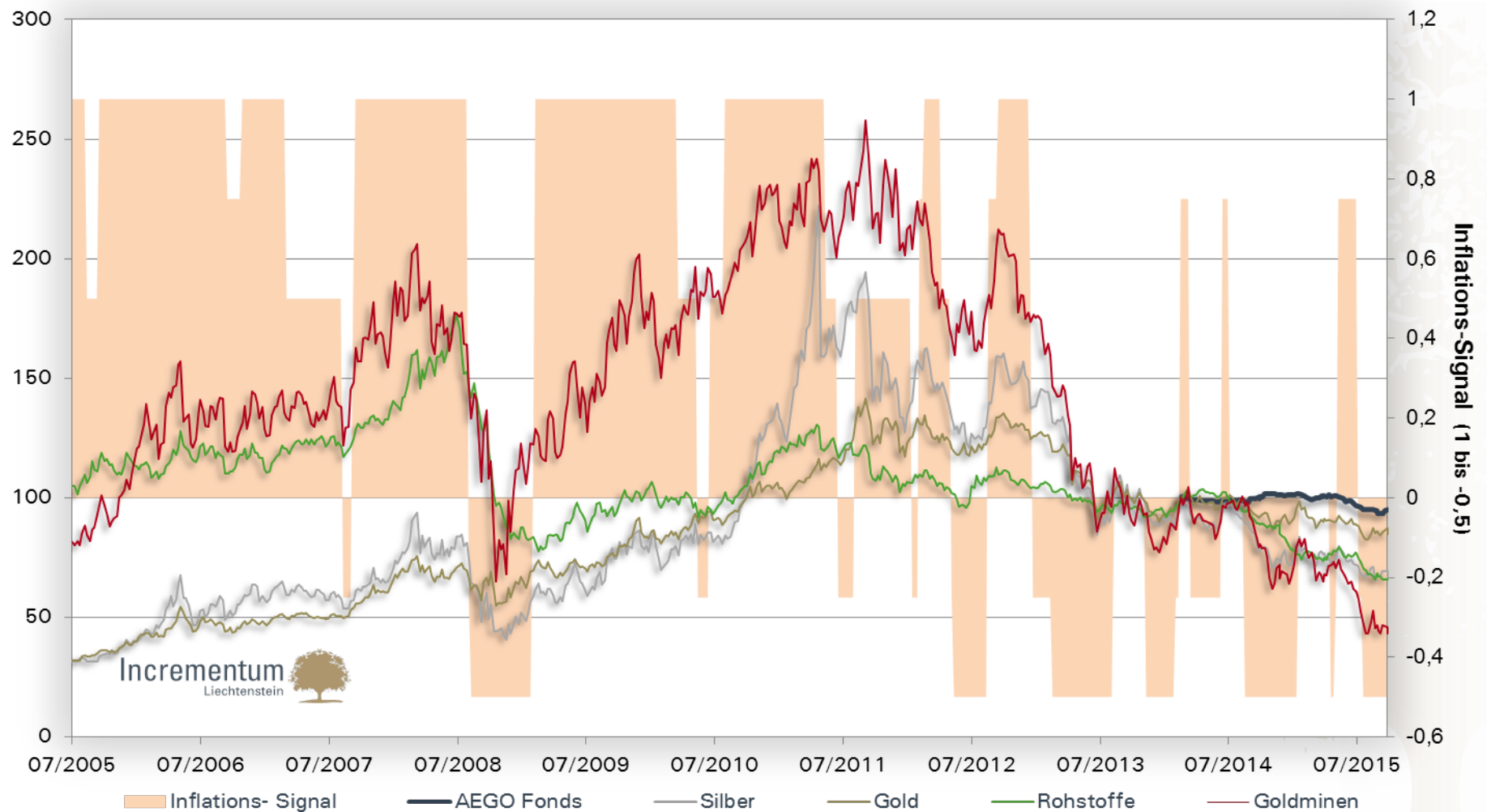
Our Approach: Being Prepared For Inflation And Deflation!

Monetary Seismograph



- ▶ Price inflation is a monetary phenomenon. **Due to the fractional reserve banking system and the dynamics of 'monetary tectonics', inflationary and deflationary phases may alternate.**
- ▶ To measure how much monetary inflation is spilling into the markets, we utilize a number of market-based indicators, which are combined in a proprietary signal. This method of measurement can be compared to a *monetary seismograph*.
- ▶ The measurement results in the “**Incrementum-Inflation Signal**”, indicating the current momentum of inflation.
- ▶ **According to the respective signal we position ourselves for rising, neutral or falling inflation trends.**

Austrian Economics Golden Opportunities Fund: Inflations-Exposure with an AirBag



5. Outlook



Outlook: Unconventional Measures

How To Achieve Higher Price Inflation?

- ✓ Cutting Interest Rates
- ✓ Zero Interest Rate Policy (since 2008)
- ✓ Communications Policy
- ✓ QE I-QE III (2008-2014)

What More Is To Come?

- ▶ 'Strengthening guidance' - Change of the inflation threshold
- ▶ More direct Measures (e.g. Funding for Lending Program; Helicopter Money)
- ▶ More QE (if 'required')
- ▶ **Negative Interest Rates**



We encourage interested readers to watch the Dec. 2013 FED Press Conference, especially relevant starting from min. 20:00
Click here: <http://www.youtube.com/watch?v=J0Ma3twcFkY>

Fed officials seem ready to deploy negative rates in next crisis

Published: Oct 12, 2015 9:55 a.m. ET

1,373 165 718



By
GREG ROBB
SENIOR ECONOMICS REPORTER



Federal Reserve officials now seem open to deploying negative interest rates to combat the next serious recession even though they rejected that option during darkest days of the financial crisis in 2009 and 2010.

"Some of the experiences [in Europe] suggest maybe we can use negative interest rates and the costs aren't as great as you anticipate," said William Dudley, the president of the New York Fed, in an interview on CNBC on Friday.

The Fed under former chairman Ben Bernanke considered using negative rates during the financial crisis, but rejected the idea.

"We decided — even during the period where the economy was doing the poorest and we were pretty far from our objectives — not to move to negative interest rates because of some concern that the costs might outweigh the benefits," said Dudley.

Bernanke told Bloomberg Radio last week he didn't deploy negative rates because he was "afraid" zero interest rates would have adverse effects on money market funds -- a concern they wouldn't be able to recover management fees -- and the federal-funds market might not work. Staff work told him the benefits were not great.

The Great Negative Rates Experiment

The Swedes, Danes, and Swiss venture to the subzero zone.

by Brendan Greeley
from **Bloomberg Businessweek**

Reprint

October 22, 2015 — 8:10 PM CEST



The headquarters of Danske Bank, left, stands opposite the Danish central bank in Copenhagen. Photographer: Linus Hook/Bloomberg

When the Federal Open Market Committee decided in September to leave its main policy rate where it's been for seven years—close to zero—it included an extraordinary detail. According to the "dot plot," the display of unattributed individual policy recommendations, one committee member believed that the rate should be below zero through 2016. That is, rates should go to a place the U.S. has never had them before.

In theory, it shouldn't be possible for a central bank to keep short-term interest rates

The present...
and the future....

マネ (兆円)

07年 08

NEWS THAT FIT

The New York Times

APRIL 1, 2020

QUANTITATIVE EASING #56!

Federal Reserve Chairman Nancy Pelosi: "Ben would have wanted it this way."

By MELISSA RYDIN

THESE have been relatively lean years for the hedgehopper. It has suffered through 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 95, 100, 110, 120, 130, 140, 150, 160, 170, 180, 190, 200, 210, 220, 230, 240, 250, 260, 270, 280, 290, 300, 310, 320, 330, 340, 350, 360, 370, 380, 390, 400, 410, 420, 430, 440, 450, 460, 470, 480, 490, 500, 510, 520, 530, 540, 550, 560, 570, 580, 590, 600, 610, 620, 630, 640, 650, 660, 670, 680, 690, 700, 710, 720, 730, 740, 750, 760, 770, 780, 790, 800, 810, 820, 830, 840, 850, 860, 870, 880, 890, 900, 910, 920, 930, 940, 950, 960, 970, 980, 990, 1000, 1010, 1020, 1030, 1040, 1050, 1060, 1070, 1080, 1090, 1100, 1110, 1120, 1130, 1140, 1150, 1160, 1170, 1180, 1190, 1200, 1210, 1220, 1230, 1240, 1250, 1260, 1270, 1280, 1290, 1300, 1310, 1320, 1330, 1340, 1350, 1360, 1370, 1380, 1390, 1400, 1410, 1420, 1430, 1440, 1450, 1460, 1470, 1480, 1490, 1500, 1510, 1520, 1530, 1540, 1550, 1560, 1570, 1580, 1590, 1600, 1610, 1620, 1630, 1640, 1650, 1660, 1670, 1680, 1690, 1700, 1710, 1720, 1730, 1740, 1750, 1760, 1770, 1780, 1790, 1800, 1810, 1820, 1830, 1840, 1850, 1860, 1870, 1880, 1890, 1900, 1910, 1920, 1930, 1940, 1950, 1960, 1970, 1980, 1990, 2000, 2010, 2020, 2030, 2040, 2050, 2060, 2070, 2080, 2090, 2100, 2110, 2120, 2130, 2140, 2150, 2160, 2170, 2180, 2190, 2200, 2210, 2220, 2230, 2240, 2250, 2260, 2270, 2280, 2290, 2300, 2310, 2320, 2330, 2340, 2350, 2360, 2370, 2380, 2390, 2400, 2410, 2420, 2430, 2440, 2450, 2460, 2470, 2480, 2490, 2500, 2510, 2520, 2530, 2540, 2550, 2560, 2570, 2580, 2590, 2600, 2610, 2620, 2630, 2640, 2650, 2660, 2670, 2680, 2690, 2700, 2710, 2720, 2730, 2740, 2750, 2760, 2770, 2780, 2790, 2800, 2810, 2820, 2830, 2840, 2850, 2860, 2870, 2880, 2890, 2900, 2910, 2920, 2930, 2940, 2950, 2960, 2970, 2980, 2990, 3000, 3010, 3020, 3030, 3040, 3050, 3060, 3070, 3080, 3090, 3100, 3110, 3120, 3130, 3140, 3150, 3160, 3170, 3180, 3190, 3200, 3210, 3220, 3230, 3240, 3250, 3260, 3270, 3280, 3290, 3300, 3310, 3320, 3330, 3340, 3350, 3360, 3370, 3380, 3390, 3400, 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18630, 18640, 18650, 18660, 18670, 18680, 18690, 18700, 18710, 18720, 18730, 18740, 18750, 18760, 18770,

Conclusions

- ▶ **Only Western Financial investors have lost their trust in gold**, not private investors and esp. Asians
- ▶ **Global debt levels are currently 40% higher than in 2007** - systemic desire for rising price inflation is increasing
- ▶ **The debt induced growth model of the past decades is very close to its limits.**
- ▶ **Opacity of the financial system – volume of outstanding derivatives by now at USD 700 trillion**
- ▶ **Strong USD, weak oil, slowing growth (China!) could trigger debt defaults**
- ▶ **The FED is NOT out of bullets:** QE and negative interest rates are all on the table.
- ▶ **A major deflationary event and (potentially internationally coordinated) reaction of central banks could finally be the trigger for the transition from deflation to stagflation!**

Incrementum AG
In Gold we Trust 2015 – Extended Version
June 25th, 2015



In Gold we Trust 2015 – Extended Version

After the barely averted implosion of the financial system in autumn of 2008, we are now in the seventh year of world-wide central bank experimentation. We have all become guinea pigs of an unprecedented attempt at re-inflation, the outcome of which remains uncertain. Questionable monetary policy ventures like quantitative easing and negative interest rates are a direct consequence of a systemic addiction to inflation.

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The global financial architecture remains in a fragile state. Disinflationary forces have dominated since 2011. The systemic instability between inflation and deflation – **monetary tectonics** – culminated in a “**disinflationary earthquake**” in the second half of 2014, as all industrial commodities and every paper currency lost enormous ground against the US dollar.

Widespread, chronic over-indebtedness is ratcheting up the pressure on monetary authorities to break the deflationary trend and finally generate rising price inflation rates. **Gold has always been the best hedge against excessive inflationary efforts.**

We are convinced that we are now close to a decisive fork in the road: **the disinflationary trend will (have to) be broken.** Rising price inflation rates are possible both in conjunction with a revival in economic activity and in a stagflationary environment. **In both cases, inflation-sensitive investments including gold and gold mining stocks will benefit.**

The majority of market participants have gradually abandoned all concerns over inflation in recent years. This is reflected in exceptionally low inflation expectations and the composition of investment portfolios. **The exit from the current “low-flation” phase could prove to be the “pain-trade” for most investors.**

From a technical perspective, the picture is not unequivocal. The downtrend hasn't been broken yet. However, pronounced negative sentiment indicates resignation among gold bulls. **We believe a final sell-off is possible.** During such a sell-off, the support at USD 1,140 could be tested. A reversal following such a test would be a reliable indication of a primary trend change in the gold market.



**MANY THANKS AND ENJOY
THE COCKTAIL RECEPTION!**



IV. APPENDIX



About Us

- ▶ Incrementum AG is an owner-managed **asset management boutique** based in the Principality of Liechtenstein.
- ▶ Our Investment Principles are based on the **Austrian School of Economics**. We sincerely believe that the Austrian School of Economics provides us with the appropriate intellectual foundation especially in this highly demanding financial and economic environment.
- ▶ **Independence is a main Pillar of our Philosophy**
- ▶ Our **Core Competences** are :
 - ▶ Real Assets (Stocks, Commodities)
 - ▶ Austrian Investing
 - ▶ Precious Metals
- ▶ Incrementum AG's partners are highly qualified and have over 140 years of combined banking experience. Prior to joining the company, the partners held positions at UBS, Dresdner Bank, Lombard Odier, Darier Hentsch & Cie., Cantrade Private Bank, PBS Private Bank, Bank Leu, Pictet & Cie., Bank Sal. Oppenheim, Merrill Lynch, Raiffeisen Capital Management, Erste Group and Société Générale.
- ▶ For further information please visit: www.incrementum.li



About Us – Biographies

Ronald-Peter Stöferle

Managing Partner & Investment Manager

Ronald was born in 1980 in Vienna, Austria. He studied business administration and finance at the Vienna University of Economics and the University of Illinois at Urbana-Champaign. During his studies, he worked for Raiffeisen Zentralbank (RZB) in the field of Fixed Income/Credit Investments. After graduation, he participated in various courses in Austrian Economics. Ronald is a Chartered Market Technician (CMT) and a Certified Financial Technician (CFTe).

In 2006, he joined Vienna-based Erste Group Bank, covering international equities, with a focus on Asia. In 2006, he also began writing reports on gold. His benchmark 'In GOLD we TRUST' report attracts international coverage including on CNBC, Bloomberg, the Wall Street Journal and the Financial Times. In 2011, he was awarded most accurate gold analyst by Bloomberg. Ronald managed 2 gold-mining baskets and 1 silver-mining basket for Erste Group. In 2014, he co-authored a book on Austrian Investing ("[Österreichische Schule für Anleger – Investieren zwischen Inflation und Deflation](#)").

In 2013, Ronald joined Incrementum AG, Vaduz as managing partner and co-owner.



Our Philosophy At Incrementum: The Austrian School Of Economics



- ▶ The Austrian School of Economics originated in Vienna in the late 19th century and provides an **alternative assessment of economic affairs**. Contrary to mainstream economics, this analysis produces a truly holistic view of financial markets, because it integrates the current state of the monetary regime.
- ▶ Followers of the Austrian School have been **extremely successful at anticipating major economic events** like the Great Depression, the stagflationary environment of the 1970s, the Dotcom Bubble and the Housing Bubble.
- ▶ The insights of this school of thought offer exceptional understanding and superior interpretation of the **interdependencies between money supply and price inflation**.
- ▶ This knowledge is valuable especially nowadays, as central bank policies massively distort and influence financial markets. **Grasping the consequences of the interplay between monetary inflation and deflation will be crucial for prudent investors.**
- ▶ Scholars of the Austrian School are convinced, that today's radical monetary and fiscal policy interventions will not lead to a self-sustained recovery of the economy, **but to further turmoil in financial markets.**

For further information about the Austrian School please visit our webpage:
<http://www.incrementum.li/austrian-school-of-economics/an-introduction-to-the-austrian-school-of-economics>

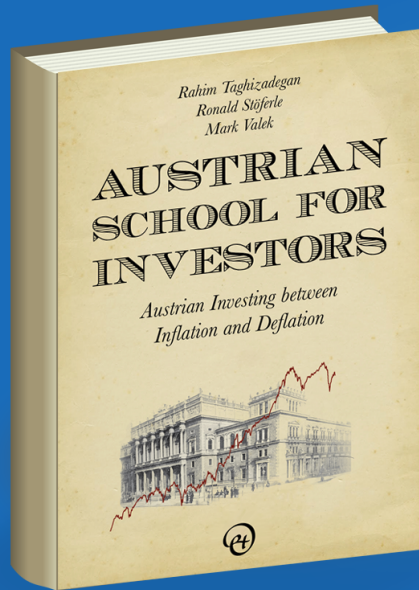
Our Approach: Being Prepared For Inflation And Deflation!

Monetary Seismograph



- ▶ Price inflation is a monetary phenomenon. **Due to the fractional reserve banking system and the dynamics of 'monetary tectonics', inflationary and deflationary phases may alternate.**
- ▶ To measure how much monetary inflation is spilling into the markets, we utilize a number of market-based indicators, which are combined in a proprietary signal. This method of measurement can be compared to a *monetary seismograph*.
- ▶ The measurement results in the “**Incrementum-Inflation Signal**”, indicating the current momentum of inflation.
- ▶ From our point of view, it is not the absolute level of inflation but rather the **rate of change of inflation** that matters.
- ▶ **According to the respective signal we position ourselves for rising, neutral or falling inflation trends.**

Our Upcoming Book On Austrian Investing



*This book is a must-have
for every responsible investor!*

FELIX W. ZULAUF
Investor

Pre Order @ <http://www.austrian-school.com/>